

## SUMMARY OF SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

Summary of synopsis of 2012 audit report of the County of Hunterdon  
as required by N.J.S. 40A:5-7

### Current Fund Statements of Operations and Changes in Fund Balance

| <u>Revenues and Other Income</u>             | Year Ended<br><u>2012</u> | Year Ended<br><u>2011</u> |
|--|---------------------------|---------------------------|
| Fund Balance Utilized                        | \$ 12,500,000.00          | \$ 13,000,000.00          |
| Miscellaneous Revenue Anticipated            | 14,371,163.88             | 13,675,419.51             |
| Receipts From Current Taxes                  | 64,155,000.00             | 66,126,000.00             |
| Non-Budget Revenue                           | 2,155,713.58              | 3,184,195.70              |
| Unexpended Balance of Appropriation Reserves | 4,638,115.76              | 7,669,556.74              |
| Receivables Refunded                         | 1,375.40                  |                           |
| Total Revenues and Other Income              | 97,821,368.62             | 103,655,171.95            |
| <br><u>Expenditures</u>                      |                           |                           |
| Budget and Emergency Appropriations          |                           |                           |
| Operations:                                  |                           |                           |
| Salaries and Wages                           | 23,358,149.97             | 23,715,216.00             |
| Other Expenses                               | 44,726,756.08             | 45,122,126.54             |
| Capital Improvements                         | 1,200,000.00              | 900,000.00                |
| Debt Service                                 | 5,226,233.91              | 5,411,795.37              |
| Deferred Charges and Statutory Expenditures  | 15,199,737.00             | 16,463,315.00             |
| Sub-Total                                    | 89,710,876.96             | 91,612,452.91             |
| Receivable Advances                          |                           | 98.15                     |
| Total Expenditures                           | 89,710,876.96             | 91,612,551.06             |
| Statutory Excess to Fund Balance             | 8,110,491.66              | 12,042,620.89             |
| Fund Balance, January 1                      | 25,608,562.89             | 26,565,942.00             |
|  | 33,719,054.55             | 38,608,562.89             |
| Decreased By:                                |                           |                           |
| Fund Balance Utilized as Budget Revenue      | 12,500,000.00             | 13,000,000.00             |
| Fund Balance, December 31                    | \$ 21,219,054.55          | \$ 25,608,562.89          |

SUMMARY OF SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

Summary of 2012 audit report of the County of Hunterdon  
as required by N.J.S. 40A:5-7

Recommendations

December 31, 2012

We suggest the following:

Implement stronger internal control procedures over the year-end financial statement close process.

Perform a re-certification process of all active employees and retirees that receive health benefits from the County to ensure that those individuals are receiving health benefits appropriately and that the coverage being provided to those individuals is correct.

Confirm all transactions are encumbered prior to services being performed or goods being received.

Include on all purchase orders evidence of the chief financial officer or certifying officer's signature on the purchase order evidencing review of the purchase and to ensure availability of funds before the purchase order is committed.

Implement an internal policy requiring that the initiation of a wire transfer and the approval of a wire transfer be performed by two different employees to ensure appropriate segregation of duties and adequate internal controls over the wire transfer process.

Review health care invoices and the list of employees receiving payments for health benefit waivers and confirm that the employees that are receiving payments for opting out of the health care plan are not also receiving health care benefits.

Confirm the County is collecting the employee's respective share of health premiums while out on an unpaid leave of absence.

Verify the County employees are appropriately classified in the correct tier in accordance with the laws dictated by chapter 78, and are paying the proper percentage of premiums.

Adopt formal resolutions approved by the Board for cancelations of an appropriation.

Record all activity pertaining to the gross revenue and expenditures of the golf course on a monthly basis.

Review reserves of the Park and Recreation Department and confirm all funds are being properly retained by this department.

Implement procedures to investigate outstanding checks that have not cleared the bank in a timely manner and determine whether the check should be re-issued or cancelled.

Confirm all funds from departments are deposited on a timely basis in accordance with N.J.S.A. 40A:5-15, which dictates funds, must be deposited within 48 hours of receipt.

Develop a process and implement internal controls to ensure that the County does not enter into a procurement contract, utilizing federal funds, in excess of \$25,000 with a suspended or debarred vendor.

Implement stronger internal control procedures over the year-end reporting requirements related to the federal data collection form.

Implement stronger internal control procedures over the year-end reporting requirements related to the schedule of federal awards.

The above summary was prepared from the report of audit of the County of Hunterdon for the year ended December 31, 2012. This report of audit, submitted by David J. Gannon, Registered Municipal Accountant, representing Wiss and Company, LLP, is on file at the County Clerk's Office and may be inspected by any interested person.

---

County Clerk

SUMMARY OF SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

Summary of synopsis of 2012 audit report of the County of Hunterdon  
as required by N.J.S. 40A:5-7

Combined Comparative Balance Sheets

| Assets   | <u>December 31, 2012</u> | <u>December 31, 2011</u> |
|--|--------------------------|--------------------------|
| Cash and Cash Equivalents  | \$ 85,611,980.71         | \$ 79,385,862.06         |
| Receivables from Federal and State Government  | 2,886,804.83             | 5,477,632.68             |
| Revenue Receivables  | 19,650.45                | 2,021,072.50             |
| Other Accounts Receivable  | 5,939,364.83             | 4,662,996.67             |
| County Added and Omitted Taxes Receivable  | 173,853.96               | 254,437.87               |
| Deferred Charges to future taxation  | 69,903,570.75            | 83,215,385.23            |
| Fixed Assets   | <u>179,933,843.58</u>    | <u>179,597,174.54</u>    |
| Total Assets   | <u>\$ 344,469,069.11</u> | <u>\$ 354,614,561.55</u> |
| <br>Liabilities, Reserves, and Fund Balance  |                          |                          |
| Serial Bonds, Loans, and Notes Payable   | \$ 7,855,000.00          | \$ 16,065,059.97         |
| Improvement Authorizations   | 84,312,349.21            | 79,296,589.58            |
| Various Reserves   | 26,928,405.31            | 26,611,601.18            |
| Accounts Payable, Other Liabilities and Special Funds                                      | 5,242,576.65             | 4,887,841.37             |
| Reserves for Certain Receivables, Appropriation Reserves,<br>Amortization and Other Assets | 10,566,353.81            | 13,628,194.21            |
| Capital Improvement Fund   | 3,504,421.82             | 4,299,421.82             |
| Investment in Fixed Assets   | 179,933,843.58           | 179,597,174.54           |
| Fund Balances  | <u>26,126,118.73</u>     | <u>30,228,678.88</u>     |
| Total Liabilities, Reserves, and Fund Balance  | <u>\$ 344,469,069.11</u> | <u>\$ 354,614,561.55</u> |